

Before the
Federal Communications Commission
Washington, D.C.
In the Matter of:

Request for Review by the United)
Talmudical Academy of a decision)
by the Common Carrier Bureau) DA 01-2457
) File Number SLD 105791

Federal-State Joint Board on)
Universal Service) CC Docket Number 96-45

Letter of Support for Appeal

With this letter, I wish to express to the full Commission my support of a letter of appeal of a Common Carrier Bureau (CCB) decision now before you filed by the United Talmudical Academy, New York (UTA). It is my hope that you will be persuaded to overturn the CCB decision with UTA's compelling argument, this letter, and more to follow from interested parties.

At issue is whether Centrex telephone services can be considered "basic telephone service" for support under the Universal Service, E-Rate mechanism

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Centrex service is now considered something more than basic telephone service by the Commission and E-Rate program administrator, the Universal Service Administrative Company (USAC). The distinction between basic telephone service and non-basic telephone service has far-reaching implications for E-Rate applicants.

Background

The UTA appeal has made a circuitous trip from its original 1998 E-Rate application. The Schools and Libraries Corporation (SLC), the then program administrator, denied UTA's entire year one application because UTA lacked sufficient resources to make effective use of E-Rate discounts - in the opinion of SLC. This is a certification applicants attest to under Item 25 of the FCC Form 471 when applying for E-Rate discounts. All applicants for E-Rate discounts must certify that they meet this criteria, yet no specific guidance on what constitutes a baseline standard for sufficient resources has ever been issued by the FCC or USAC.

UTA appealed the decision to the CCB arguing that basic telephone service should be exempt from such scrutiny, as basic telephone service does not require additional resources or training for adequate implementation. The CCB agreed and issued the UTA decision, exempting basic telephone service from compliance with both Item 25 and Technology Plan requirements of the E-Rate program.

This decision also resulted in an unforeseen and unfortunate change to the FCC form 470 - The Box 14. A checked Box 14 on the form 470 indicated that the applicant was seeking funding only for basic telephone service and therefore was not required to comply with Item 15 of the form 470, which served as a precursor to the Item 25 of the Form 471. Additionally, applicants seeking only basic telephone service were exempt from possessing

an approved Technology Plan. Any applicant checking Box 14 on the Form 470 was limited to receiving discounts ONLY for basic telephone service - irregardless of what was otherwise requested on the Form. E-Rate advisors across the nation have urged applicants NEVER to check this box. It simply does not belong on the Form 470.

The CCB decision remanded the year one application to the Schools and Libraries Division (SLD), as the SLC was now folded into this new organization, for further consideration. The SLD concluded that UTA's Centre x and cellular service was not "basic telephone service" under its guidelines and denied funding. UTA appealed this decision to the CCB.

In its latest ruling, the CCB concluded that Centrex service goes beyond "basic telephone service" but that cellular service should be considered within "basic telephone service" and remanded that portion back to the SLD. UTA appealed the decision to exclude Centrex service from the category of "basic telephone service."

Discussion

In its appeal UTA makes a compelling argument for inclusion of Centrex service into the family of basic telephone service for E-Rate. Once the CCB embraced the notion that basic telephone service and cellular telephone service should be exempt from Item 25 of the Form 471, Item 15 of the 470, and Technology Plan aspects of the E-Rate program, the CCB was essentially telling applicants that basic telephone service is a given for fundamental operation of modern schools and libraries. By extension, basic telephone system operation should also be a given for the vast majority of school and library employees, who would not need special training on system operation o r additional resources would not be required for telephone system installation .

The CCB argues at paragraph 13 of this decision that "=E2=80=A6we agree with SLD that Centrex is not "basic telephone service"=E2=80=A6to provide an end user with a broad variety of features and functions that a customer-based PBX would provide e.g. intercom, access line pooling, call transfer, call restrictions, call forwarding, direct call pickup, and conference calling." Yet, the current Eligible Services List issued in fall 2001, includes a category of service "Custom Calling Services" covered under "basic telephone service." This category includes features like "call waiting, 3-way calling, speed calling, and call forwarding." Certainly the two types of service are analogous.

Using this logic, the only considerations for differentiating whether Centre x service verses "plain old telephone" service should be eligible for E-Rate discounts should rest with ease of use for the end user and overall cost of the service.

Conclusion

I do not believe a credible argument could be made that end user operation o

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special features of a Centrex system could possibly be more complex than operation of special features of a cellular telephone. From personal experience, after reviewing the Centrex operation manual for a mere 10 minutes, I was able to operate the company system without difficulty. By contrast, I have yet to decipher advanced operations of my personal cell phone. But according to current E-Rate regulations one is basic telephone service and the other is not.

I would appreciate your consideration of this letter and approve UTA's appeal on its merits.

Respectfully Submitted this eighth day of December 2001,

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